

Author: Vernon Ingraham at -MMS-Denver-85-2

Date: 05/21/98 01:51 PM

Priority: Normal

TO: Deborah Gibbs-Tschudy at -MMS-DENVER-GH-4, Lucy Querques Denett at -MMS-DOI,
David Hubbard at -MMS-DENVER-GH-4, David Domagala at -MMS-DENVER-GH-4,
Linda Shishido-Sheahan at -mms-denver-85-1, Kenneth Vogel at -mms-denver-85-1,
Robert Prael, Donald Gilman

Subject: Re[3]: RIK Counteroffer

I agree.

Reply Separator

Subject: Re[2]: RIK Counteroffer

Author: Kenneth Vogel at -MMS-DENVER-85-1

Date: 05/21/98 01:15 PM

I spoke with Don and I did question the Mars and Texas City offers as well as prodded for room on the differential. He has spoken to the others and this is what they can do:

X-5 X-4

I believe we should take this on and see what happens. As my last message said, at this point we are at market and it is merely a matter of negotiation. We have no other real market (other than to fight with producers re royalty in value), but they do -- and as Dave's message earlier this week pointed out it is currently a buyer's market. We should learn a lot from this year and be able to use this to increase our ability in the pilots or even if RMP wants to try some more RIK oil sales (either in or out of small refiner's program). There is no doubt this is risky. Being in the market (like we are finally admitting the RIK program is) is risky.

Reply Separator

Subject: Re: RIK Counteroffer

Author: Vernon Ingraham at -MMS-Denver-85-2

Date: 5/21/1998 9:08 AM

If we can't say whether X-4 most closely parallels the true market differential, then why don't we accept the X-4 offer and be done with it.

This is embarrassing to be "negotiating" when we don't know where we should end up. X-5

If we believe X-4 is an acceptable counter offer and combined with our need to keep the remaining refiners in the program, lets agree. We have been back and forth so many times even I am beginning to feel like a "bureaucrat."

Reply Separator

Subject: RIK Counteroffer
Author: Kenneth Vogel at -MMS-DENVER-85-1
Date: 05/20/98 09:57 AM

note attached